

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

In the Matter of Consolidated Billing for Distributed Energy Resources))	Case 19-M-0463
Proceeding on Motion of the Commission as to the Policies, Requirements and Conditions for Implementing a Community Net Metering Program)))	Case 15-E-0082

**JOINT UTILITIES’ COMMENTS ON PETITION FOR REHEARING
BY COALITION FOR COMMUNITY SOLAR ACCESS
OF THE PUBLIC SERVICE COMMISSION’S ORDER
APPROVING COMMUNITY DISTRIBUTED GENERATION
BILLING AND CREDITING PERFORMANCE METRICS**

I. Introduction

The Joint Utilities¹ provide these comments in response to the Coalition for Community Solar Access (CCSA) Petition for Rehearing² on certain aspects of the New York State Public Service Commission’s (Commission) Performance Metrics Order,³ as well as comments submitted in early September by other parties supporting the CCSA Petition for Rehearing.⁴ The

¹ The Joint Utilities are Central Hudson Gas & Electric Corporation (Central Hudson), Consolidated Edison Company of New York, Inc. (Con Edison), New York State Electric & Gas Corporation (NYSEG), Niagara Mohawk Power Corporation d/b/a National Grid (National Grid), Orange & Rockland Utilities, Inc. (O&R), and Rochester Gas and Electric Corporation (RG&E).

² Cases 19-M-0463 et. al., *In the Matter of Consolidated Billing for Distributed Energy Resources* (Consolidated Billing Proceeding), Coalition for Community Solar Access Petition for Rehearing of the Public Service Commission’s Order Approving Community Distributed Generation Billing and Crediting Performance Metrics (filed August 18, 2025) (CCSA Petition for Rehearing).

³ Consolidated Billing Proceeding, Order Approving Community Distributed Generation Billing and Crediting Performance Metrics (issued July 17, 2025) (Performance Metrics Order).

⁴ Comments were filed by BlueWave Solar (BlueWave Comments), Green Street Power Partners, LLC, Solstice Power Technologies, Inc., Catalyze Holdings, LLC, Altus Power Inc., PowerMarket, Active Solar Development, LLC, Nexamp, Inc., Solar One, and YSG Community Solar, LLC (collectively, Industry Comments) which were largely similar form letters. Additional comments were filed by Arcadia Power, Inc./Perch Energy and New York Solar Energy Industries Association.

CCSA Petition for Rehearing urges the Commission to reverse its directive to increase the Net Crediting fee collected by the Joint Utilities to administer Community Distributed Generation (CDG) Net Crediting billing processes by 0.5 percent. As there are no new legal or factual arguments presented by the other parties in support of CCSA’s position, these comments will focus on the CCSA Petition for Rehearing. While the CCSA Petition for Rehearing states that the Performance Metrics Order contains errors of law and fact, the Commission has explained its reasoning and provided evidence to support the increase in the Net Crediting fee.

Apart from the legal and factual errors that the CCSA Petition for Rehearing alleges, a number of Industry Comments also claim that “there are strong moral and policy arguments for granting a rehearing.”⁵ However, under Commission rules and regulations, a party may seek rehearing “*only* on the grounds that the commission committed an error of law or fact or that new circumstances warrant a different determination.”⁶

The CCSA Petition for Rehearing focuses on three topics: (1) who should pay the incremental costs for the Joint Utilities to implement the requirements of the Performance Metrics Order; (2) the basis for the Commission’s determination to increase the Net Crediting fee by 0.5 percent; and (3) the process employed to evaluate incremental utility costs resulting from the Performance Metrics Order. Each of these topics is addressed below.

II. Responsibility for Incremental Costs

The CCSA Petition for Rehearing argues that costs should not be borne by CDG hosts, who CCSA refers to as “the injured party,” because the “burden of incremental NRA [Negative

⁵ See, e.g. Consolidated Billing Proceeding, BlueWave Comments, p. 1.

⁶ 16 NYCRR § 3.7(b) (emphasis added).

Revenue Adjustment] compliance costs should fall on the party responsible for them – *i.e.*, utility shareholders.”⁷

CCSA’s position is incorrect, because “utility shareholders” are not responsible for these incremental compliance costs. As a threshold matter, this is a generic rulemaking proceeding, not a penalty proceeding. The purpose of this proceeding is to set additional rules for the administration of the utilities’ CDG programs, including new metrics with associated performance targets. In the future, utilities may incur NRAs if they fail to meet those targets. But at present, there have been no findings against any specific utility and thus no basis for arguing that any particular utility’s shareholders, much less all utilities’ shareholders, should bear any costs of complying with these new requirements.

The proper lens through which to view these metrics and performance targets is as new requirements for the ongoing administration of CDG programs. As with any such Commission requirements, the utilities are entitled to recover the costs of implementation. These cost causation principles were not only addressed in the Performance Metrics Order⁸ but also explained in the 2019 Consolidated Billing Order, where the Commission determined: “As the implementation of the Net Crediting model will create a substantial cost savings for participating CDG Sponsors by essentially eliminating their billing and collections costs, it is appropriate for the costs of implementation to be covered by those participants, rather than socialized among nonparticipating ratepayers.”⁹ Thus, the Commission’s decision reasonably recognized the needs of this type of customer and appropriately assigned costs to the parties directly benefiting from such service requirements.

⁷ Consolidated Billing Proceeding, CCSA Petition for Rehearing, p. 6.

⁸ Consolidated Billing Proceeding, Performance Metrics Order, p. 24.

⁹ Consolidated Billing Proceeding, Order Regarding Consolidated Billing for Community Distributed Generation (issued December 12, 2019) (2019 Consolidated Billing Order), p. 18.

While the CCSA Petition for Rehearing characterizes CDG subscribers and system owners as “injured” parties, it has made no showing of a legally cognizable injury, and the Commission has made no such finding. Instead, as the Commission has recognized, the utilities significantly remediated past issues with CDG billing and crediting performance before the Commission adopted these new requirements.¹⁰ Even with this improvement, however, the Commission—with CCSA’s support—has adopted performance standards as requirements for how utilities will support CDG hosts going forward.

III. The Record Basis for the Net Crediting Fee Increase

The CCSA Petition for Rehearing rests on the concept that the Commission had no record basis for increasing the Net Crediting fee and claims that: (1) the decision to increase the fee was arbitrary;¹¹ (2) there was no factual basis for the Commission’s decision;¹² (3) the increase was unnecessary because the Commission reduced the scope of the metrics on which the Joint Utilities based its compliance cost estimates;¹³ and (4) compliance costs are expected to decrease over time.¹⁴ These arguments do not capture the considerations that the Commission balanced in the Performance Metrics Order.

In the Performance Metrics Order, the Commission considered the sufficiency of the existing 1.0 percent Net Crediting fee, the incremental cost estimates provided by the Joint Utilities, and the impact of the Commission adopting cost estimates.¹⁵ Given these considerations, the Commission had a reasoned basis to find that, while the 1.0 percent Net

¹⁰ Consolidated Billing Proceeding, Performance Metrics Order, p. 10.

¹¹ Consolidated Billing Proceeding, CCSA Petition for Rehearing, pp. 6-7.

¹² *Id.*, p. 6.

¹³ *Id.*, pp. 13-14.

¹⁴ *Id.*, p. 13.

¹⁵ Consolidated Billing Proceeding, Performance Metrics Order, pp. 23-25.

Crediting fee would cover “a portion of the incremental costs associated with implementing the billing and crediting metrics¹⁶” it was appropriate to increase the Net Crediting fee by 0.5 percent to cover the incremental compliance costs.¹⁷ Even so, the Commission addressed any potential uncertainty in the utilities’ future costs by¹⁸ over- or under-recovery of their actual costs.¹⁹ Thus, the Performance Metrics Order clearly explained the evidentiary basis for the Commission’s determination to increase the fee based precisely on the factors that the CCSA Petition for Rehearing states were not considered. As a result, the evidence fully supports the Commission’s decision.

The upgrades necessary to meet the requirements of the Performance Metrics Order require significant upfront and ongoing costs from each of the Joint Utilities. As discussed within the Joint Utilities’ NRA Proposal Comments,²⁰ the current Net Crediting fee does not always cover current costs, let alone costs associated with the metrics. The 2024 Utility Net Crediting Reports²¹ filed with the Commission by each of the Joint Utilities show a total of just over \$6 million in implementation and operating costs, but only \$2.4 million recovered through the Net Crediting fee.

CCSA contends that the Performance Metrics Order should not cause the utilities to incur additional costs beyond their existing costs to administer their CDG programs.²² But as the Joint Utilities have shown in their updated cost filings (see Table 1 below), the Performance Metrics

¹⁶ *Id.*, p. 25.

¹⁷ *Id.*

¹⁸ *Id.*, pp. 25-26.

¹⁹ *Id.*, pp. 25-26.

²⁰ Consolidated Billing Proceeding, Joint Utilities’ Comments on the Department of Public Service Staff Proposal on Community Distributed Generation Billing and Crediting Performance Metrics and Negative Revenue Adjustments (filed April 15, 2024) (Joint Utilities NRA Proposal Comments), p. 51.

²¹ *See, e.g.*, Consolidated Billing Proceeding, Con Edison 2024 Net Crediting Report (filed March 31, 2025).

²² Consolidated Billing Proceeding, CCSA Petition for Rehearing, p. 10.

Order will cause the utilities to incur significant costs to meet the new performance targets and to undertake detailed reporting on their billing and crediting performance and responsiveness to host inquiries. CCSA’s position is also inconsistent with longstanding cost causation principles and fails to recognize the significant value that Net Crediting provides not only for customers, but for CDG hosts that are no longer required to bill their customers.

Table 1: New York Utility Metric Implementation Cost Estimates

	September/October 2025 Cost Filings	
Utility	Upfront Costs	Ongoing Costs
Central Hudson²³	\$168,500	\$130,000 ²⁴
Con Edison²⁵	\$820,000 shared with O&R plus \$250,000 for Con Edison	\$30,000
O&R²⁶	\$820,000 shared with Con Edison plus \$120,000 for O&R	\$12,000
National Grid²⁷	\$1,010,000	\$1,208,900
NYSEG²⁸	\$626,900 - \$1,081,900	\$869,060
RG&E²⁹	\$339,100 - \$584,100	\$869,060

Moreover, CCSA’s arguments overstate the impact of the Commission adopting only two of the original six proposed metrics. As the Commission observed in the Performance Metrics Order, the utilities are still required to collect and report data related to the other proposed metrics for

²³ Consolidated Billing Proceeding, Central Hudson CDG Metrics Ordering Clause 3 Compliance (filed September 15, 2025), pp. 1-2.

²⁴ Central Hudson mentions in its filing that the company’s preliminary estimate for automation is a one-time cost of \$361,000.

²⁵ Consolidated Billing Proceeding, Con Edison and O&R CDG Metrics Implementation Costs (filed September 15, 2025), pp. 2-3.

²⁶ *Id.*

²⁷ Consolidated Billing Proceeding, National Grid Supplemental Billing & Crediting Metrics Implementation Cost Filing (filed October 30, 2025), pp. 1-2.

²⁸ Consolidated Billing Proceeding, NYSEG-RG&E – CDG NRA Implementation Plan Revised (filed September 19, 2025), p. 4.

²⁹ *Id.*

the Commission's use in determining whether to add new performance metrics in the future.³⁰ For this reason, the Joint Utilities will incur costs to update their respective systems and undertake quarterly and annual metrics reporting of metrics for which the Commission has not prescribed any performance targets.

IV. The Need for a Dedicated Proceeding

The CCSA Petition for Rehearing requests the establishment of a dedicated proceeding with additional discovery to consider whether the Net Crediting fee increase is necessary³¹ because of the concern that the utilities may collect revenues that exceed their actual costs.³² The CCSA Petition also states that, "typically, the Commission only approves a rate increase after the utility provides reasonable cost estimates which the Commission deems just and reasonable. Approving a rate increase prior to receiving data to justify it violates longstanding principles of ratemaking."³³

These concerns do not, however, consider that the Performance Metrics Order established a process to track actual costs, with reconciliations to the allowance provided in the Net Crediting fee. Over- or under-collections will be deferred and subject to Department of Public Service Staff review in future rate proceedings. Moreover, all parties will have the opportunity to review such costs in utility rate proceedings. It is also important to recognize that when the Commission established the 1.0 percent Net Crediting fee in 2019, it did so with reference to experience with the costs associated with energy services companies' (ESCOs) consolidated billing as opposed to requiring a review of cost estimates prior to program implementation.³⁴

³⁰ Consolidated Billing Proceeding, Performance Metrics Order, p. 12.

³¹ Consolidated Billing Proceeding, CCSA Petition for Rehearing, pp. 8-9, 12, 14-15.

³² *Id.*, p. 12.

³³ *Id.*, p. 14.

³⁴ Consolidated Billing Proceeding, 2019 Order, pp. 18-20, Ordering Clause No. 1.

Finally, like the Performance Metrics Order, the 2019 Order required utilities to file compliance cost estimates, required no upfront review of such costs, and created a deferral review process virtually identical to that established in the Performance Metrics Order. Given these considerations, there is no need to establish a dedicated proceeding to review cost estimates because such a review will be conducted when actual cost data becomes available.

V. Conclusion

Despite CCSA's claims to the contrary, the Performance Metrics Order: (1) explains the basis for assigning incremental cost responsibility to CDG providers; (2) transparently details the Commission's thought process when determining that a 0.5 percent increase in the Net Crediting fee was required; and (3) addresses Net Crediting cost variations in a manner that provides parties with the ability to review actual costs. Given these considerations, the Joint Utilities urge the Commission to reject the CCSA Petition for Rehearing.

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Respectfully submitted,

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